

SENATE BILL 263

By Tracy

AN ACT to amend Tennessee Code Annotated, Title 49,
Chapter 13, relative to charter schools.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 49-13-108(a)(5), is amended by deleting the subdivision and substituting instead the following:

A chartering authority may require a charter school sponsor to pay to the chartering authority an application fee of two thousand five hundred dollars (\$2,500) with each charter school application the sponsor files.

SECTION 2. Tennessee Code Annotated, Title 49, Chapter 13, is amended by adding the following language as a new section:

(a) This section shall apply to public charter schools for which an LEA is approved as a chartering authority under § 49-13-108 or renewed as a chartering authority under § 49-13-121, and to any charter school currently authorized by an LEA.

(b) Beginning with the 2018-2019 school year, if an LEA is the chartering authority of a public charter school, then the LEA shall receive an annual authorizer fee of up to three percent (3%) of the public charter school's per student state and local funding as allocated under § 49-13-112(a).

(c) By April 1 of each year, the LEA shall provide an estimate of the percentage of a public charter school's per student state and local funding that the LEA shall receive and the annual authorizer fee for the next school year. This percentage shall apply to all public charter schools for which the LEA is the chartering authority.

(d) The LEA shall use the authorizer fee exclusively for fulfilling authorizing obligations and responsibilities in accordance with this chapter.

(e) The department of education shall, in coordination with LEAs and charter school sponsors, develop a standard reporting framework detailing the usage of the annual authorizer fee. If, for any school year, the total amount of authorizer fees collected by the LEA exceeds the amount used by the LEA to perform its authorizing obligations and responsibilities, the LEA shall distribute the amount remaining to its authorized public charter schools. The LEA shall develop a process to refund the unused fees to its authorized public charter schools in the school year immediately following the school year in which the unused fees were collected by the LEA.

(f) By December 1 of each year, the LEA shall publicly report the total amount of authorizer fees collected in the previous school year and the authorizing obligations and responsibilities fulfilled using the fee. The report shall be posted on the LEA's website.

SECTION 3. Tennessee Code Annotated, Section 49-13-108(f), is amended by deleting the words "are encouraged to" and substituting the word "shall".

SECTION 4. Tennessee Code Annotated, Section 49-13-112(b)(3)(A), is amended by deleting the subdivision and substituting instead the following:

Allocations to the public charter school may not be reduced by the LEA for administrative, indirect, or any other category of cost or charge except as specifically provided in a charter agreement or by this chapter. Except the authorizer fee provided by this chapter, a public charter school shall not be required to pay a fee as a condition of approval or recommendation of approval from a chartering authority or be required to purchase any services from the chartering authority. A public charter school and chartering authority may mutually agree to execute a service agreement, separate from the charter agreement, for performance of services.

SECTION 5. This act shall take effect January 1, 2018, the public welfare requiring it.